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26781	7590	06/30/2006	EXAMINER	
BROUSE MCDOWELL LPA 388 SOUTH MAIN STREET SUITE 500 AKRON, OH 44311			JANVIER, JEAN D	
			ART UNIT	PAPER NUMBER
			3622	

DATE MAILED: 06/30/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/901,174

Applicant(s)

KNEEBUSCH, WILLIAM

Examiner

Jean Janvier

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on ____.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-47 is/are pending in the application.
- 4a) Of the above claim(s) ____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) ____ is/are allowed.
- 6) ☒ Claim(s) 1-47 is/are rejected.
- 7) ☐ Claim(s) ____ is/are objected to.
- 8) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on ____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. ____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date ____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. ____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: ____.

Detailed Action

Specification

Claims Status

Claims 1-47 are currently pending in the Application.

General Comments

In general, the exact dollar amounts provided to a referring member or participant for directly or indirectly referring people, at various levels, to an organization or sponsoring company is a matter of desires, convenience or design choice, which does not directly impact the functionality of the system by which commissions are given to a participant for referring people to the organization in a down stream manner or many levels deep up to a maximum number of levels. Further, throughout the claimed invention, providing a first credit to the member for a referral made at the first level, providing a second credit to the member for a referral made at the second level and providing a third credit to the member for a referral made at the third level, wherein the second credit is greater than the first, the third credit is greater than the first and the second respectively and wherein the second level has more referrals than the first level and the third level has more referrals than the first level and the second level respectively. Again, setting the second credit to be greater than the first, the third credit to be greater than the first and the second respectively or setting the second level to have more referrals than the first level and the third level to have more referrals than the first level and the second level respectively is a matter of desires or choice. In addition, individually transferring credits earned for a first level referral,

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second level or a third level referral made, as opposed to transmitting the credits accumulated at the time of transfer, to the member's medical account is also a matter of desires or choice. In other words, this is a non-functional descriptive material.

Moreover, "providing a health group consisting of a first level, second level and a third level" is interpreted as - -providing a system wherein a sponsoring company provides credits to a referring member for directly or indirectly referring other members up to two, three or four levels deep based on the company desires--.

Claim Objections

Claims 1, 2, 12 and 46 are objected to because of the following informalities-

Claim 1, as herein presented, appears to be confusing for reciting limitations with different scope. First, the claim recites "transferring two dollars per month to a member for every first level referral...". Second, the same claim recites, "transferring two dollars per month to a (different) member medical management account for every first level referral..." A broad claim language followed by a narrow claim language with two different entities or beneficiaries (i.e. the first member in the first case is different from latter member in the second case).

In claims 1, 12 and 46, in "providing a new health group when the first, second and third level are complete", the criteria for completing the levels are not easily understood, at least from the claim, and it appears that the creation of the new group does not immediately affect the functionality of the system since once the third level is complete (filled up with 125 members) the member does not receive any further compensations or commissions even if a new health group

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is created. It seems that the new health group represents a different entity, i.e. a new health insurance and the participant is not a member of the new health group and thus, the participant cannot receive any commission for any referral made to the new group for he does not have a medical account with the new group. Here, the creation of the new group simply implies that the first, the second and the third levels are complete or filled up and the member cannot receive any further commissions even if more referrals are being made. To this end, the creation of the new health group is a nominal recitation and does not have any patentable weight.

In claim 2, "A medical management account referral reward system, the system comprising the steps of:" should apparently be -- A medical management account referral reward system comprising the steps of:-- In other words, claim 2 should be re-written to recite a method rather than a system since the claim involves a process not a system per se and all subsequent dependent claims should be referred to a method.

Throughout the claimed invention, and perhaps throughout the specification, it appears that the credits transferred to the member's medical account were never actually used to pay for the member's medical bills. In other words, the usefulness of the transfer of credits to the medical account is herein being questioned.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

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(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-47 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kanter, USP 5, 537, 314.

As per claims 1-47, Kanter discloses a credit accumulation and accessing system, in a multi-level marketing format, for a plurality of sponsoring companies and participants having at each sponsoring company location (14, 16), a common bus (26), which communicates with participant data input (28), performance data input (34), computer processing (24), memory (30), an award output device (36), and an input/output device (32). Input/output device (32) may connect to a central control center (12), and/or a plurality of second sponsoring companies (14, 16), and/or a plurality of financial institutions (94), through communication lines (38). Sponsoring company, participant, and performance data, along with award conversion tables, pyramidal association tables, award applicable merchandise UPC codes, financial-institution-issued lines of credit and computer operational programming, are stored. Under control of the operational program, several tasks are accomplished accordingly, including creating subdirectories for a single participant account (member's account) so as to selectively associate the single account subdirectories with multiple sponsoring company accounts and deciphering such accordingly at points of sale, calculating, posting, transferring and/or issuing discounts, raffle entries, **store-credit returns**, **points**, **cash values**, **bill values**, in accordance with performance of participants (72, 74) (or based on how many referrals a member has directly or indirectly made), while sending results

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immediately and/or periodically to appropriate destinations, which may include computer memory and/or bank accounts and/or plastic cards on behalf of participants (members or participants cash rewards are transferred electronically to the participants' bank accounts), participant sponsors in a pyramidal-type structure, sponsoring companies, sponsoring companies' sponsors in a pyramidal-type structure, raffle sponsors, and redeemed at appropriate locations which may include, sponsoring company, participant, beneficiary, or financial institution bank accounts (52, 54, 82, 84, 94), sponsoring company locations (14, 16), designated sponsoring company award output devices (36), participants' households, beneficiaries' locations, and cash dispensing machines, and received in the appropriate forms, **which may include, designated sponsoring company merchandise, wire transfer check, cash, coupon, certificate, charge card balance reductions, travel tour, or catalog merchandise (participants or members may redeem or use their accumulated points, credits or cash rewards, earned for directly and indirectly making referrals to a particular sponsor or merchant, to pay for a service or product provided or sold by the sponsor or merchant)**. See abstract; Col. 2: 8-44.

In general, Kanter discloses an incentive program including a multi-level marketing wherein there is practically unlimited availability for sponsoring companies to conveniently and economically use a multi-level selling method and which does not require such sponsoring companies to have only easily shipped or stored products for sale through the system, and does not require such sponsoring companies to write, and mail checks, design, print, and ship catalogs and which does not require such sponsoring companies to have any prior knowledge of multi-level marketing, wherein a participant or member can join in a sponsoring company's multi-level selling campaign and earn money without having to stock up on goods in attempts to sell such

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goods, or purchase catalogs in attempts to sell the goods listed in the catalogs, and deal with related problems and expenses, such as with shipping and wherein a participant can join in a merchant's multilevel selling campaign and/or incentive award program and redeem their earnings, and/or credit, and/or awards at the sponsoring company's location, as soon as the earnings and/or credit and/or awards are posted, thereby alleviating the need for check writing and mailing, and eliminating delays and other problems associated with such procedures (in other words, a participant's accumulated rebates, credits, points or cash values are electronically posted to the participant's account or transferred to his bank's account).

Kanter also discloses an incentive award program, which brings the attention of participants (initiated members) to the sponsoring company generally by way of the participants' realization or performance of awards being consumption of the sponsoring company's regular line of goods or services (the participants use their credits accumulated at a sponsor to acquire or purchase the sponsor's own product or service line), wherein sponsoring companies can control the fact that awards issued to a participant by that sponsoring company are spent only with that sponsoring company or optionally at designated locations, wherein sponsoring companies do not award participants for making purchases with companies other than their own, unless the sponsoring company so desires, wherein participants can conveniently designate their withholding award amounts, possibly overriding or updating pre-designated figures, with each sale or each referral and wherein additional personnel is not needed to manage such changes, **an incentive award program for allowing a participant to carry just one account number or card in order to participate in multiple sponsoring company programs, an incentive award program for allowing participants to receive award payments in the form of a sponsoring**

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company's own goods or services, thereby moving the sponsoring company's merchandise (service), rather than decreasing their cash flow, upon payment of awards, while motivating participants or members to acquire or purchase products or services from sponsors of the program, rather than from the competition of such sponsors, an incentive award program with greater appeal for participation of individuals for participants or members do not need to make sales to accumulate awards since they can simply and successfully refer prospect members to a sponsoring merchant or company to earn credits, an incentive award program for motivating participants to make referrals on behalf of the program and/or sponsors of the program and at the same time earn credits, in a downline or downstream manner, which accumulate over time, an incentive program which, while increasing a sponsoring company's business, allows a participant to earn unlimited savings, possibly 100% off future purchases (services) with that sponsoring company (obtaining by a member a sponsor's service or product free of charge upon accumulating a threshold number of credits), an incentive program for allowing a sponsoring financial institution to issue to participants, rebates that can be applied to their charge card for use in reducing the account balance or making any purchase, or which can be redeemed in cash, coupons, checks, catalog products, trips, goods or service from designated merchants, or any combination thereof, an incentive program for allowing a percentage of and/or a set amount for each sale made by a participant to be paid by the sponsoring company and/or other sponsoring companies of the program to a **benefit, cause, or other fund for any purpose**, an incentive program for allowing a sponsoring company to limit the amount of earned awards that can be redeemed by a participant with any sale and/or within certain time frames, an incentive program for allowing a

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sponsoring company to limit the amount of awards posted on any sale and an incentive program for allowing a participant to conveniently determine his award balance at any sponsoring company they participate with by the aid of a phone call, swipe of their card at a sponsoring company's location or receipt of a monthly statement.

Col. 12: 56-60; col. 12: 66 to col. 13: 20; col. 13: 40 to col. 14: 8; col. 14: 50-58; col. 15: 3-25; col. 15: 44-60.

The participant (member data) and performance data entered through devices 28, 34 may be stored in memory or database 30, which includes sponsoring company (service company or service provider) data along with software to direct operation of computer 24 of fig. 1. The sponsoring company data includes at least a sponsoring company code number to identify that sponsoring company. Sponsoring company data may also include information including the time and/or location of the sale and/or the identification of the sales clerk, for example. Importantly, where the system is to provide an incentive based upon discounts offered by that sponsoring company, memory 30 also may include storage of variables such as a credit rate, a raffle-entry-conversion table (RECT), a point-conversion table (PCT) and a discount-rate-conversion table (DRCT) selected by that sponsoring company, which may be set into a work area in computer 24 by which cash value, and/or raffle entries and/or points are to be accumulated by the participant and/or the participant's sponsors in accordance with a sponsor-commission structure. Memory 30 may also include storage of such accumulated point and/or credit balances and/or raffle entries accordingly. Memory 30 may further store bill values for third-party-credit issuers, such as a second sponsoring company. Credit amounts may be read from the participant's plastic card and deemed applicable toward a sale with the first

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sponsoring company. Bill values may increment according to credit amounts honored by the first sponsoring company on behalf of the second sponsoring company. The credit rate, RECT, PCT, DRCT for one sponsoring company are preferably selected by that sponsoring company and not by any other sponsoring company or center 12, in which case device 34 may contain a keyboard for which to input such selections. Memory 30 may also include storage of store credit balances for any returns made by participants. The return balances may be stored alternatively in the participant's plastic card. Alternatively, point, credit, and return balances, along with the bill values, credit rate, PCT, and DRCT information may be stored within center 12 but preferably, would be stored within memory 30 or database. Bill values may be communicated to third parties such as through a communication line 38, which may be a telephone line (col. 22-62).

In addition, computer 24 might determine a discount value to apply to the participant's or member's transaction based upon transaction data input, and the participant's **point accumulation in accordance with the discount-rate-conversion table (e.g. \$100. sale (DRCT(discount-rate conversion table): add points earned in past 30 days and if points are greater than 300, apply a 1% discount on current sale) assuming participant earned 500 points within past 30 days=\$1. off) and send the transaction balance to award output device 36.** Furthermore, computer 24 might determine a credit value to apply to the consumer's purchase or transaction based upon the transaction data input, the participant's available credit, which may be stored in memory 30, on the participant's card, or at center 12 database and possibly in accordance with the participant's request made into device 34 (e.g. \$ 100. sale (assuming available credit is \$50.) and participant requests to use half of available credit=\$25.) and then send the transaction balance to award output device 36.

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Computer 24 might also communicate with at least a second sponsoring company memory through another communication line 38, and credit values stored with the second sponsoring company memory (database) on behalf of the participant may be transferred, if need be, to the first sponsoring company and applied toward the participant's sale (transaction) at the first sponsoring company accordingly. Likewise, previously stored return values (credits) can be applied to participant sales in the same manner that available credit values are applied. The participant could realize any award or return credit by paying only the transaction balance displayed, and/or printed through device 36 when making any sale or transaction (col.18: . 63 to col. 19: 54).

Further continuing with a transaction where center 12 is used, computer 60 of fig. 1 transfers, usually after the transaction at the sponsoring company location has completed, an appropriate amount of credits from memory 78 to the appropriate sponsoring company's bank account or sends a check to the merchant in the same amount or further allows that value to be deducted from a bill that the merchant might incur for use of the central control center's service. This allows for the amount of award being held in an account for the appropriate participant to be issued to the sponsoring company on behalf of that participant.

An award-honored-payment-due balance can be created, incremented, reduced and stored in memory 42 of fig. 1 in accordance with payment being possibly made from center (clearinghouse) 12 to a sponsoring company (service provider), for honoring or redeeming stored accumulated credits on behalf of a member or participant, on a daily, weekly, monthly or any other type of scheduled basis (col. 25: 55-60). Computer 60 might also

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instruct printer 62 to issue coupons, checks or certificates on a certain or varied schedule, which will allow deliverance of available accumulated credit to the appropriate participants (providing accumulated rebates or accumulated credits on a fixed or varied schedule, such as, weekly, monthly..., to identified participants or members). All entries, donations (made by participants on behalf of charities using their stored accumulated credits), discounts and used credits (redeemed points or credits) may be accounted for in memory 79 or 80 (account reconciliation) with itemized statements being created by printer 62 for deliverance to sponsoring companies, participants, or other third parties involved on a fixed or varied schedule (col. 25: 60 to col. 26: 3).

A Participant 72 can become a member of location 14 and can then tell other individuals through communication line 76 about location 14. Line 76 could allow for verbal communication or literature handouts, pamphlets or advertising/promotional materials or any other form of communication that one person could use to reach or recruit another. Preferably the communication would be primarily in the form of an enrollment (application or registration) form, which explains the sponsoring company rules and which participant 72 can attach his/her **account number** to before passing on to any other person such as participant 74 (initiating membership), for example. Participant 74, upon joining the program at location 14, could then easily forward the account number of participant 72 to location 14, which could be entered into device 28, instantly activating participant 74 as the sponsor of participant 72. If any person that participant 72 tells about location 14 becomes a member, such as participant 74, of the program at location 14, in accordance with the program rules established at location 14, then participant 72 can earn commissions on sales made by those members with location 14. Likewise, if

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participant 74 then tells other people about location 14 and those people become members and make sales with merchant 14, then participant 74 could earn a commission on those sales (of products or services), and if the commission structure so designates, participant 72 might also earn a commission on those sales. This pyramid type progression can continue with participant 72 and 74 also earning commissions on sales made by other recruited members at location 14. In addition, participant 74 could become a member at location 16 and recruit participant 72 to location 16. Participant 74 could then earn commissions on sales made by participant 72 with location 16 accordingly. **Thus, the pyramid structure of participant recruitment may be altered with each sponsoring company a participant becomes a member with. The levels a participant may earn commissions from and the percentages associated with each level are variable according to each sponsoring company's desires (broadly interpreted, this reads on transferring or providing to participant 72 two dollars per month for a first level referral or for referring participant 74, providing two dollars per month to participant 72 for every second-level member referred participant 74 refers to the sponsor, providing thirty-eight dollars per month to referring participant or member 72 for every third-level new individual the member, referred to the sponsor by participant 74, refers to the sponsor....). Commissions may also be based upon total-sales-volume accumulation within certain time frames of participant sales from a designated number of recruitment levels, and a percentage, which might increase as certain of such sale-dollar values are reached. For example, a participant might earn a 1% commission for a \$500. total sales volume of recruits' sales three levels deep within a 30 day period; or alternatively earn 2% for a \$1000. volume, four levels deep in 30 days. Furthermore, commissions can be made available to**

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participants immediately, or held in a holding account memory 78, or in a similar account in memory 30, until such time as the sponsoring company desires to release the commission amounts. Such commission values, and accordingly, any return credit amounts, or points may be stored in memory 48 or in participant accounts memory 79, but preferably would be stored in memory 30, and each consumer account would have record of earned credit, points or returned credit that is being stored in relation to participant account numbers, security numbers, and in relation to sponsoring companies, and other participants also being preferably stored in memory 30 accordingly. A sponsoring company may be billed for pending commission amounts at each point-of-sale purchase made by a participant at their location. The amount may be electronically debited from the sponsoring company's appropriate bank account, 52, 54 through line 38, I/O 46 (col. 21: 9 to col. 10: 6),

Further Kanter provides a system wherein a participant with one card can realize multi-level credit and/or awards with multiple sponsoring companies accordingly and which allows sponsoring companies to greater motivate their participants referral efforts and inspire their participants loyalty, while allowing individuals to participate without the need for approval of a charge card so as to earn unlimited savings and conveniently keep track of their return balances. Each sponsoring company can optionally designate, irrespective of how a participant pays for the transaction such as whether by cash, check, or credit card and irrespective of any other sponsoring company's and/or central control's choices, award commission level structures and percentages, point conversion discount tables, raffle entry guidelines and associated awards. Similarly sponsoring companies can designate donations being made to whom, by whom and how, along with minimum and/or maximum purchase guidelines for award redemption, and

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minimum and/or maximum award crediting per purchase and/or time periods. Further they can designate what merchandise and/or service is award redeemable and/or award creditable, while requiring no additional cash outlay for the sponsoring company upon participant redemption. Further yet, they can designate exactly with whom the award they issue to participants can be redeemed with, whether the award is paid in cash, check, coupon, certificate, merchandise, service or transferred directly to a participant's bank account or any combination thereof. Additionally, sponsoring companies may collaborate with other sponsoring companies without realizing any financial losses when honoring awards issued to participants by such "other sponsoring companies." See col. 27: 19-50).

All in all, sponsoring companies can issue awards, accumulated under the participants' accounts, to the participants in the form of catalog merchandise, travel tour, cash (dollar amounts), check, coupon, certificate or direct deposit into the participants' bank account, on a fixed or varied schedule, such as weekly, monthly, etc. Alternatively, the participants may redeem, in full or in part based on the companies desires, their accumulated awards or credits for products or services sold or available at the sponsoring companies' locations, as described above (col. 16: 38 to col. 17: 21; col. 25: 60 to col. 26: 3).

As per claims 1-17, 19, 22, 24, 25, 27, 28, 29, 31, 36, 37, 39, 40, 41 and 43, although Kanter does not expressly disclose using his referral system at a health group or health insurance and transferring the member's or participant's credits to a medical management account, however, Kanter supports using or implementing his referral system by any organization or

sponsoring company including, but not limited to, a health group or a health insurance company engaging in selling products or providing services and desiring to motivate members to recruit or refer prospect members to the company to thereby increase the sale of products or services offered by the company, storing at the sponsoring company database in a member's account the member's accumulated credits or cash value for directly or indirectly referring members, up to a maximum level deep (first level, second level, third level....), to the sponsoring company, wherein the member's stored credits can be used or redeemed at the sponsoring company to pay for goods or services offered or available at the company. Further, Kanter discloses that the member's accumulated credits can be stored in a central database and redeemed at any sponsoring company based on some predefined criteria. Alternatively, the member's accumulated credits can be transferred to the member's bank account on a fixed or varied schedule, i.e. weekly, monthly, etc. (see above Office Action).

Thus, an ordinary skilled artisan, reading or implementing the Kanter's system at the time of the invention, could have made the above observation or reached the foregoing conclusion that the Kanter's referral system can be used by a health insurance company or a health group and money or accumulated credits given to a member for referring other members to the insurance company, upon to three levels deep (first level, second level and third level referral), can be transferred to the member's medical account held at the health insurance company where it can **be used to partially or fully pay for the member's medical bills**, thereby allowing a health insurance company to motivate existing users or members to recruit or refer other members to the company by providing an incentive (cash or credit) to the referring members for each referral made, up to a maximum number of levels deep, where the incentive or stored

credits are used or redeemed partially or fully to pay for the members' existing medical bills at the provider or health insurance company (sponsoring company), while increasing the health insurance membership and business bottom.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

USP 6,421,648 to Gagnon discloses a data processing system for monitoring and recording information flow and data and making all calculations necessary for maintaining a Differential Continuous Compensation Plan (hereinafter referred to as "DCCP") for participants to a Multi-Level Marketing approach (hereinafter referred to as "MLM"). MLM is defined as "an approach that remunerates participants for the purchases made by the people that they directly and indirectly introduced to particular products and/or services (hereinafter referred to as "offer")".

USP 6,134, 533 to Shell discloses a server system for multi-level vending of any electronically transferable product through a communications network directly to a customer's computer. This server system (herein called a Sales Support Server) integrates the collection of a payment via the network and the automatic distribution of the product with the calculation of commissions using a multi-level marketing commission structure and the distribution of commissions and fees via the network. The preferred configuration includes a client application

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(herein called a Sales App) which runs as a plug-in to a network browser on the customer's computer and which provides a purchase request and registration data to a Sales Support Server and performs the installation of the product on the customer's computer. The Sales Support Server acquires the payment, transfers the product, calculates and pays the commissions, and adds the purchaser's registration information to the multi-level sales database for the product. The usefulness of this invention includes physical product distribution through a shipping and handling system.

WO 96/36926 to McDonald discloses several multilevel marketing systems for advertising, market research, and shopping and similar services. Participants interact with a computer system to receive advertising, respond to market surveys, or place purchase orders as the case may be. The participants form a network, which is administered by a network organizer through the computer system. Each participant is rewarded according to the activity of others who are sponsored as downline participants in the network. The participants are encouraged to continue their own activity rather than simply recruit and sponsor new participants.

Any inquiry concerning this communication from the Examiner should be directed to Jean D. Janvier, whose telephone number is (571) 272-6719. The aforementioned can normally be reached Monday-Thursday from 10:00AM to 6:00 PM EST. If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's Supervisor, Mr. Eric W. Stamber, can be reached at (571) 272- 6724.

Non-Official- 571-273-6719.

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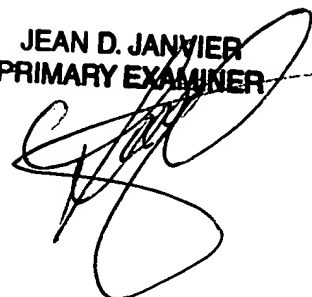
JDJ

Jean D. Janvier

Patent Examiner

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JEAN D. JANVIER
PRIMARY EXAMINER

A handwritten signature in black ink, consisting of stylized, overlapping loops and strokes, positioned over the printed name and title.